

December 15, 2020

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G004/GR-19-511

Dear Mr. Seuffert:

Attached are the *Comments* of the Minnesota Department of Commerce, Division of Energy Resources (the Department or DOC) in the following matter:

A Compliance Filing submitted by Great Plains Natural Gas Co., A Division of Montana-Dakota Utilities Co. (Great Plains or the Company), pursuant to the Minnesota Public Utilities Commission's (Commission) October 26, 2020 *Findings of Fact, Conclusions of Law, and Order*.

The *Compliance Filing* was submitted on November 12, 2020, although the cover letter was dated November 10, 2020 by:

Travis R. Jacobson
Director of Regulatory Affairs
Great Plains Natural Gas Co., A Division of Montana-Dakota Utilities Co.
P.O. Box 176
Fergus Falls, Minnesota 56538-0176

The Department reviewed the Company's Compliance Filing and recommends approval. The Department separately addresses Great Plains Base Cost of Gas in Docket No. G004/MR-20-822 and is available to answer any questions that the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/ar
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G004/GR-19-511

I. INTRODUCTION

On October 26, 2020, the Minnesota Public Utilities Commission (Commission) issued its *Findings of Fact, Conclusions, and Order* (October 26 Order or Order) concerning the request by Great Plains Natural Gas Co., A Division of Montana-Dakota Utilities Co. (Great Plains or the Company) to increase natural gas rates in Minnesota in the above-referenced docket. Ordering Paragraph No. 13 of the Commission's *October 26 Order* required Great Plains to submit certain information, as discussed below. The Company's compliance filings concerning Ordering Paragraph No. 13 were due within 30 days of the *October 26 Order*, or by November 25, 2020.

On November 12, 2020, Great Plains submitted its *Compliance Filing* in accordance with Ordering Paragraph 13 of the *October 26 Order*.

The Minnesota Department of Commerce, Division of Energy Resources (Department or DOC) reviewed Great Plains' *Compliance Filing* and submits these *Comments* that address each compliance item.

II. THE DOC'S ANALYSIS OF THE COMPLIANCE FILING BY ORDERING PARAGRAPH

A. ORDERING PARAGRAPH NO. 1

Ordering Paragraph No. 1 of the Commission's *October 26 Order* states that "[t]he Commission adopts the ALJ's Findings of Fact, Conclusions of Law, and Recommendations to the extent that the ALJ's Report is consistent with the decisions herein.

DOC's review of the Company's *Compliance Filing* and attached schedules confirm that the Commission decisions were incorporated.

B. ORDERING PARAGRAPH NO. 2

Ordering Paragraph No. 2 of the Commission's *October 26 Order* states that "[t]est year expenses shall be reduced by \$11,500 for dues paid to Minnesota Utility Investors and \$464 for Edison Electric Institute.

DOC's review of the Company's *Compliance Filing* and attached schedules confirm that the Commission decisions were incorporated.

C. ORDERING PARAGRAPH NO. 10

Ordering Paragraph No. 10 of the Commission's *October 26 Order* states that [t]he Commission will approve a revenue apportionment that maintains the revenue apportionment established in the 2016 Order.

DOC's review of the Company's *Compliance Filing* and attached schedules confirm that the Commission decisions were incorporated.

D. ORDERING PARAGRAPH NO. 11

Ordering Paragraph No. 11 of the Commission's *October 26 Order* states that:

- A. The Company's proposed basic customer service charge increase and daily basic charge calculation method are not approved.
- B. The Commission approves a \$230 basic customer charge for the new Interruptible Grain Drying class.

DOC's review of the Company's *Compliance Filing* and attached schedules confirm that the Commission decisions were incorporated.

E. ORDERING PARAGRAPH NO. 12

This Ordering Paragraph approves the Company's Levelized Annual Revenue Requirement (LARR) Factor and Maximum Allowable Investment (MAI) changes. Great Plains shall update the LARR and MAI changes to reflect the Commission's final order on the Company's proposed margin sharing credit and any changes to the GUIC revenues.

DOC's review of the Company's *Compliance Filing* and attached schedules confirm that the Commission decisions were incorporated.

F. ORDERING PARAGRAPH NO. 13(A), SUBPART 1

Ordering Paragraph No. 13(A), Subpart (1), requires the Company to provide a breakdown of Total Operating Revenues by type.

The DOC reviewed Exhibit 2 of the Company's *Compliance Filing*, and notes that it complies with the Commission's *Order* by providing a breakdown of Total Operating Revenues by type.

G. ORDERING PARAGRAPH NO. 13(A), SUBPART 2

Ordering Paragraph No. 13(A), Subpart (2), requires the Company to provide "schedules showing all billing determinants for the retail sales (and sale for resale) of natural gas." The DOC confirms that the Company's *Compliance Filing* includes Exhibits 3a, 3b and 3c in response to Ordering Paragraph No. 13(A), Subpart (2).

Total Revenue by customer class can be found in Exhibit 3a. The DOC's analysis found that the total revenues are consistent with those in the Commission's *October 26, 2020 Order* establishing the revenue requirement in this proceeding.

Total number of customers, customer charge, and total customer charge revenue by customer class can be found in the Company's Exhibit 3b, pages 4-5. The DOC analyzed this information and concludes that it is in compliance with the Commission's *Order*.

The total number of commodity and demand related billing units, the per unit of commodity and demand cost of gas, the non-gas margin, and the total commodity and demand related sales revenues can be found in the Company's Exhibit 3b, pages 4-5. The DOC has analyzed this information and concludes it is in compliance with the Commission's *Order*.

H. ORDERING PARAGRAPH NO. 13(A), SUBPART 3

Ordering Paragraph No. 13(A), Subpart (3), requires the Company to provide revised tariff sheets incorporating authorized rate design decisions.

The DOC reviewed Exhibit 4 of the Company's *Compliance Filing*, and notes that it complies with the Commission's *Order*.

I. ORDERING PARAGRAPH NO. 13(A), SUBPART 4

Exhibit 5 of the *Compliance Filing* responds to Ordering Paragraph No. 13(A), Subpart 4 which requires Great Plains to submit proposed customer notices explaining the final rates, the monthly basic service charge, and any and all changes to rate design and customer billing.

The DOC reviewed Exhibit 5 of the Company's *Compliance Filing* and concludes that it complies with the Commission's *Order*.

J. ORDERING PARAGRAPH NO. 13(B)

Ordering Paragraph No. 13(B) states that the Company shall submit "[a] revised base cost of gas, supporting schedules, and revised fuel adjustment tariffs to be in effect on the date final rates are implemented."

The Company provided this information in Exhibits 3 and 6 of its *Compliance Filing* and concludes that it complies with the Commission's *Order*. As noted in the cover letter to these comments, the Department separately addresses Great Plains Base Cost of Gas in in Docket No. G004/MR-20-822.

K. ORDERING PARAGRAPH NO. 13(C)

Exhibit 7 of the *Compliance Filing* responds to Ordering Paragraph No. 13(C) of the Commission's *Order* that requires the Company to provide a "summary listing of all other rate riders and charges in effect, and continuing, after the date that final rates are implemented."

The DOC reviewed Exhibit 7 of Great Plains' *Compliance Filing*, and notes that it complies with the Commission's *Order*.

L. ORDERING PARAGRAPH NO. 14

Exhibit 8 of the *Compliance Filing* responds to Ordering Paragraph No. 14 of the Commission's *Order*.

Ordering Paragraph No. 14 requires the Company to provide a "schedule detailing the CIP tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs during the period of interim rates, and the CIP tracker balance at the time final rates become effective, and if final authorized rates are lower than interim rates, a proposal to make refunds of interim rates, including interest to affected customers." Schedule 8, page 1 of 3 provides the calculation of the new CCRC rate which will be \$0.0818 per dk, effective on January 1, 2020. The Department reviewed Exhibit 8, page 1 of 3 of Great Plains' compliance filing, and notes that it complies with the Commission's Order.

Ordering Paragraph No. 14 also requires the Company to provide "a schedule detailing the CIP tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective." The Department reviewed Exhibit 8, pages 2-3 of Great Plains' compliance filings and notes that it complies with the Commission's Order.

Based on its review, the DOC recommends that the Commission approve Great Plains' *Compliance Filing* related to CIP and the CCRC. However, the DOC also recommends that the Commission require Great Plains to resubmit the CIP tracker account (including rates, revenues, expenses, and ending balance) for the entire period that interim rates were in effect within 10 days after final rates become effective.

III. SUMMARY OF THE DOC RECOMMENDATIONS

Based on the discussion above, the Department recommends approval of the Company's *Compliance Filing*, with the following compliance requirement:

- resubmit the CIP tracker account (including rates, revenues, expenses, and ending balance) for the entire period that interim rates were in effect within 10 days after final rates become effective.

/ar

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Comments**

Docket No. G004/GR-19-511

Dated this **15th** day of **December 2020**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tamie A.	Aberle	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	400 North Fourth Street Bismarck, ND 585014092	Electronic Service	No	OFF_SL_19-511_19-511
Peter	Beithon	pbeithon@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_19-511_19-511
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-511_19-511
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_19-511_19-511
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-511_19-511
Richard	Dornfeld	Richard.Dornfeld@ag.state.mn.us	Office of the Attorney General-DOC	Minnesota Attorney General's Office 445 Minnesota Street, Suite 1800 Saint Paul, Minnesota 55101	Electronic Service	No	OFF_SL_19-511_19-511
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-511_19-511
Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota St Suite 1400 St. Paul, MN 55101-2134	Electronic Service	No	OFF_SL_19-511_19-511
Brian	Meloy	brian.meloy@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-511_19-511
Ann	O'Reilly	ann.oreilly@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-511_19-511

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-511_19-511
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-511_19-511
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	Yes	OFF_SL_19-511_19-511
Byron E.	Starns	byron.starns@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-511_19-511
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_19-511_19-511